

What Do These Terms Mean?

Local Exchange Telephone Service

Local exchange or exchange access services allow end users to originate and/or terminate local telephone calls on the public switched telephone network, whether used by the end user for voice telephone calls or for other types of calls carried over the public switched telephone network (for example, lines connected to facsimile equipment or lines used occasionally or exclusively for dial-up connection to the Internet). Local exchange telephone service uses Time Division Multiplexing (TDM) format to transmit voice calls *between* the end-user customer's ordinary wired or cordless telephone and the telecommunications network—and *within-network* conversion of voice calls into IP packet format for transport ("IP-in-the-middle") is not relevant. Note that a single end-user customer service *cannot be both* local exchange telephone service and interconnected VoIP service.

How to count: Report local exchange telephone service lines in voice-grade equivalents (VGEs) based on how they are charged to the end-user customer rather than on how they are physically provisioned. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. When the end-user customer is charged for channelized service, report the number of activated, charged-for channels rather than the theoretical capacity of the line. Examples: Count Basic Rate Integrated (BRI) Services Digital Network (ISDN) lines as two voice-grade equivalent lines. Count fully-channelized PRI circuits (including PRIs that are used exclusively to provide local connectivity to dial-up ISPs) as 23 voice-grade equivalent lines. But report, for example, 8 voice-grade equivalent lines if a customer is charged for 8 trunks that happen to be provisioned over a DS1 circuit. If a customer is charged for a fully-channelized DS1 circuit, however, report 24 voice-grade equivalent lines.

How to locate: Assign a local exchange line to the census tract where the line terminates at the end user's premises (home, office, or other building)—that is, locate the line according to the service address and not the billing address, if the two addresses differ.

Interconnected VoIP Service

Interconnected VoIP service is a service that: (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user's location; (3) requires Internet-protocol compatible customer premises equipment; and (4) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network. See [47 C.F.R. § 9.3](#). Interconnected VoIP service uses IP packet format to transmit voice calls *between* the end-user customer's specialized equipment (such as an IP telephone or TDM-to-IP converter device) and the telecommunications network. As noted above, a single end-user customer service *cannot be both* interconnected VoIP service and local exchange telephone service.

How to count: Report based on the maximum number of interconnected VoIP calls that customers may have active—at the same time—between their physical location and the public switched telephone network. The maximum number of such calls may be set out under the terms of service agreements with business, institutional, or government customers, or it may be determined by some other method that best reflects customer needs and requirements. For example, providers that market against traditional business telephone systems should be able reliably to estimate what their customer's requirements would be for trunks between traditional PBX and the telephone company. Please describe the method used in the Explanations and Comments section of the form.

How to locate: If you (including affiliates) sell interconnected VoIP service to an end-user customer and also supply that customer with the high-capacity connection that delivers the interconnected VoIP service, assign the interconnected VoIP subscription to the census tract where the high-capacity connection terminates at the end user's premises. However, if you (including affiliates) sell interconnected VoIP to an end-user customer on an over-the-top (bring-your-own-broadband) basis, assign that interconnected VoIP subscription to a census tract according to the subscriber's Registered Location on the as-of date associated with the form (either June 30 or December 31). Registered Location is the most recent information obtained by the Interconnected VoIP provider that identifies the physical location of the end user. See [47 C.F.R. § 9.3](#).

Census Tract

Census tracts are “small, relatively permanent statistical subdivisions of a county or equivalent entity” with a target population of 4,000 and a range of between 1,200 and 8,000 people.¹ Because population is targeted, the area of census tracts varies widely. While there are 236 counties that contain a single tract, Los Angeles County, CA is divided into over 2,300 tracts. For more information see, [How Should I Format My Fixed Voice Subscription Data?](#) and [More About Census Tracts](#).

¹ See *2010 Census Summary File 1 Urban/Rural Update Technical Documentation* prepared by the U.S. Census Bureau, 2012 at A-12, <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.